

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1246 Session of
2005

INTRODUCED BY CLYMER, ARMSTRONG, BAKER, BALDWIN, BARRAR,
BASTIAN, BENNINGHOFF, BOYD, BUNT, CALTAGIRONE, CRAHALLA,
CRUZ, CURRY, DALEY, DALLY, DENLINGER, DeWEESE, EACHUS,
FABRIZIO, FLEAGLE, GEORGE, GERGELY, GINGRICH, GOODMAN,
HALUSKA, HARHAI, HARPER, HARRIS, HENNESSEY, HERSHEY, HESS,
HUTCHINSON, JAMES, KAUFFMAN, M. KELLER, KIRKLAND, KOTIK, LEH,
MAHER, MAJOR, MANN, McILHATTAN, MUSTIO, NAILOR, O'NEILL,
PALLONE, PHILLIPS, PICKETT, PYLE, READSHAW, REED, ROHRER,
RUBLEY, SAINATO, SANTONI, SCHRODER, SEMMEL, SHANER, SOLOBAY,
STERN, SURRA, E. Z. TAYLOR, TIGUE, TRUE, VEON, WALKO, WATSON,
WILT, WOJNAROSKI AND YOUNGBLOOD, MARCH 31, 2005

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MARCH 31, 2005

AN ACT

1 Amending the act of July 9, 1981 (P.L.208, No.66), entitled, as
2 amended, "An act creating the Public Employee Retirement
3 Commission to make a continuing study of all public employee
4 retirement and pension systems; and making an appropriation,"
5 further providing for actuarial notes.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Section 7 of the act of July 9, 1981 (P.L.208,
9 No.66), known as the Public Employee Retirement Commission Act,
10 amended December 20, 1991 (P.L.393, No.42), is amended to read:

11 Section 7. Actuarial notes.

12 (a) Note required for bills.--Except as otherwise provided
13 in subsection (f)(1), no bill proposing any change relative to a
14 public employee pension or retirement plan shall be given second
15 consideration in either House of the General Assembly, until the

1 commission has attached an actuarial note prepared by an
2 enrolled pension actuary which shall include a reliable estimate
3 of the cost and actuarial effect of the proposed change in any
4 such pension or retirement system.

5 (b) Note required for amendments.--Except as otherwise
6 provided in subsection (f)(2), no amendment to any bill
7 concerning any public employee pension or retirement plan shall
8 be considered by either House of the General Assembly until an
9 actuarial note prepared by an enrolled pension actuary has been
10 attached.

11 (c) Preparation of note.--The commission shall select an
12 enrolled pension actuary to prepare an actuarial note which
13 shall include a reliable estimate of the financial and actuarial
14 effect of the proposed change in any such pension or retirement
15 system.

16 (d) Contents of note.--The actuarial note shall be factual,
17 and shall, if possible, provide a reliable estimate of both the
18 immediate cost and effect of the bill and, if determinable or
19 reasonably foreseeable, the long-range actuarial cost and effect
20 of the measure. If the proposed change is to a benefit formula,
21 the actuarial note shall include an estimate of the cost of
22 applying the change to persons retiring in the future as well as
23 to persons who are presently retired.

24 (e) Notes for proposed constitutional amendments.--The
25 commission shall issue an actuarial note, prepared by an
26 enrolled pension actuary, for any joint resolution proposing an
27 amendment to the Constitution of Pennsylvania which initially
28 passes either House of the General Assembly. If said joint
29 resolution is subsequently amended and passes either House of
30 the General Assembly, a new actuarial note shall be prepared.

1 (f) Effect of failure of commission to attach note.--

2 (1) If the commission fails to attach an actuarial note
3 within 20 legislative days after a bill proposing a change
4 relative to a public employee pension or retirement plan has
5 received first consideration in either House of the General
6 Assembly, the bill may be further considered in the same
7 manner as if the actuarial note had been attached to the
8 bill.

9 (2) If the commission fails to attach an actuarial note
10 within 20 legislative days after an amendment to a bill
11 proposing a change relative to a public employee pension or
12 retirement has submitted to the commission, the amendment may
13 be considered in the same manner as if the actuarial note had
14 been attached to the amendment.

15 Section 2. This act shall take effect in 60 days.